

ATTACHMENT E

Fraud Related Activities Report

(Paper distributed to Audit Committee members and ANAO only)

DEPARTMENT OF THE TREASURY

AUDIT COMMITTEE MEETING 14 November 2008

REPORT ON FRAUD-RELATED ACTIVITIES

The current status of fraud-related activities has been updated from the report provided to the previous meeting. There has been no instance of fraud reported since the last Committee meeting. There is one ongoing reported case of possible fraud.

[Section 47f] CASE

Treasury has received correspondence claiming that the Department holds or recognises certain financial instruments. Treasury considers that making these claims may constitute unlawful activity by a person or number of persons.

In summary, the correspondence relates to funds purportedly held by Treasury in various forms of financial instruments. These instruments are being held out as collateral for a number of attempted financial transactions by [Section 47f] (and others).

Much of this correspondence appears to emanate from a single source or small group as they are similar in nature and wording.

Correspondence of this nature was first received by Treasury in March 2005. However, despite formal advice to the authors or senders that Treasury does not hold such funds, the claims have continued and have been used in conjunction with attempted transactions to a very high value, most recently for a property purchase in Western Australia and with the ANZ Private Bank in Brisbane. Treasury has also received correspondence from a number of institutions in relation to these attempted transactions.

The matter was investigated by the Australian Federal Police who advised that they could not establish sufficient evidence to support a case.

MOBILE PHONE FRAUD

In February 2008, a Treasury Officer misplaced his blackberry device whilst departing from a Brisbane Taxi. Upon discovering the device missing, the Officer contacted the taxi driver who advised that he did not have the device in his car; and the IT Helpdesk who promptly barred the phone from access to Treasury's email system.

The billing statement for the February period shows that a number of overseas phone calls were made from the blackberry device prior to Optus disconnecting the phone. The calls commencing within minutes of the Treasury Officer departing the taxi.

The total cost of the incident (blackberry and international calls) is \$2837.00.

The Australian Federal Police declined to investigate the incident. The Treasury in-house lawyer advised that there was little scope for the matter to be pursued by the Queensland police.

An internal administrative process will be conducted to write-off this expense and close this matter.

Team Leader, Security